9-30-85

DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare:

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1. I am making this declaration in response to allegations made by Scientology and its attorneys Donald C. Randolph and John G. Peterson regarding "violations" of various Court orders.

2. On page 8 of Scientology's motion are listed five (5) documents which the organization claims were sealed documents used by the Justice Department in violation of this Court's sealing orders: Defendants trial exhibits HHHH, EEE, K, and MM, and Plaintiff's trial exhibit 47. None of these documents were "sealed documents".

13 3. Defendant's exhibit HHHH, attached hereto as Exhi-14 bit "A", is the "Mission Order" of Plaintiff organization to 15 prevent Homer Schomerfrom testifying at my trial. The organiza-16 tion's missionaires left it in Mr. Schomer's home. Mr. Schomer 17 copied it for himself and brought it to the trial where several 18 copies were made. My attorney marked HHHH on a copy and intro-19 duced it into evidence through Mr. Schomer. A copy was given to 20 Plaintiff's attorneys. The document was not sealed by the Court; 21 but even if it were, copies were in the possession of several 22 third parties, and a sealing order would be meaningless, as is 23 Plaintiff organization's contention that a violation of a "seal-24 ing order" exists.

4. Defendant's exhibit EEE, attached hereto as Exhibit "B", is a copy of Plaintiff organization's "CIC Cross Mark
Sheet" indicating the cross-filing of intelligence data concerning Attorney Michael Flynn. This document had been produced

by the organization in a Federal Court case in Tampa, Florida, 1 McLean v. Church of Scientology, Case No. 81-174-CIV - T - K. 2 My attorneys had copies long before the Armstrong trial. One 3 of these was copied and admitted into evidence. The fact that the same document, exhibit 5 to Plaintiff organization's motion, does not have the Court's exhibit sticker and number, but just my attorney's handwritten notation, made after the Court assigned the exhibit number, shows where the document came from, and just how hollow the organization's claim of a violation of the "sealing order" is. This was never a "sealed document."

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5. Defendant's exhibit K, attached hereto as Exhi-11 bit "C", is a Flag Order entitled "Commodore's Messengers" 12 written by L. Ron Hubbard. This document was first submitted 13 14 as an exhibit to a declaration written by me and filed in this 15 case in September 1982. Plaintiff organization did not seek 16 to have it sealed then, nor several times thereafter when I used 17 it as an exhibit in this case and in other jurisdictions. This 18 document could not have been sealed by the Court. It is a public 19 document.

20 Defendant's exhibit MM, attached hereto as Exhi-6. 21 bit "D", is a "Declaration of Religious Commitment" for the 22 Church of Scientology International. As with Exhibit "C", this 23 document has been appended to several declarations I have filed 24 in this case as early as September 1982. It has been distri-25 buted broadly since. It was never included in any sealing 26 order.

27 Plaintiff's exhibit 47, attached hereto as Exhi-7. 28 bit "E", is an organization Policy Letter entitled "Understanding

- 2 -

Corporate Integrity." It was never a "sealed document." As can be seen by the document's routing, it was given to all Scientology staff members in every organization. Plaintiff's attorneys handed a copy to my attorney during the trial, and my attorney marked the document with the number assigned to it by the Court. Following the trial, the various exhibits which had been admitted into evidence, not sealed, and of which I had a copy, were copied and given by me to anyone who requested them. This document has never been sealed and any sealing order would be senseless.

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8. At p. 8 n. 3 of Plaintiff organization's motion 10 is the statement that Exhibit I to the Department of Justice's 11 Motion to Dismiss of September 1984 (see Plaintiff's exhibit 6) 12 was also used by the government in violation of the Court's seal-13 ing order. The further claim is made that this document entitled "Operation Bulldozer Leak", the purpose of which was "To effectively spread the rumor that will lead government, media and individual SPs to conclude that LRH has no control of the Church of Scientology and no Legal Liability for Church activity", has on it "the handwritten Armstrong trial exhibit number." This document has a lot of handwritten numbers on it, but none are from Armstrong, because this document was never a trial exhibit , either for Defendant or Plaintiff, and was never a "sealed document".

24 9. Attached hereto as Exhibits"F" and "G" are two (2) 25 documents entitled respectively "Archives Trust" and "Success 26 Story RPF Completion." In the Armstrong trial, these were 27 respectively Plaintiff's exhibits 28 and 53. These same docuby 28 ments were introduced /the same organization as Defense exhibits

- 3 -

numbers 884 and 890 during my cross-examination in the Case of <u>Christofferson v. Scientology, et al</u>, No. A7704-05184 in the Circuit Court of the State or Oregon for the County of Multnomth in April 1985. Clearly, the Scientology organization must be by its standard in violation of the same mythological sealing order.

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10. Included among Plaintiff's and Defendant's trial exhibits were several books: <u>Phoenix Lectures</u>, <u>Introduction to</u> <u>Scientology Ethics</u>, <u>All About Radiation</u>, <u>Dianetics</u>, <u>the Original</u> <u>Thesis</u>, <u>Technical Dictionary</u>, <u>Background and Ceremonies</u>. If, as Plaintiff organization seems to be contending, the "sealing order" is a blanket order covering not just the actual sealed documents, but all trial exhibits regardless of their source, these books should also be covered by such an order. Yet a check on this date has revealed that Plaintiff organization has these books for sale to the public in its bookstores. This is absurd, of course, but so is the organization's construing of the facts in this motion now before the Court.

11. Regarding the MCCS tapes, I have no personal knowledge how the transcript came into the possession of the IRS. I obtained the tapes, transcribed them, and prepared an affidavit from them exactly as I have described in earlier declarations and testimony. In my opinion, they evidence a continuing fraud being perpetrated by L. Ron Hubbard, the organization, and various attorneys. I definitely sent the transcript to Omar Garrison who was interested for the biography in how Hubbard was able to extract funds from Scientology, and I believe I sent a copy to my attorney, Michael Flynn. As the organization has had the transcript since at least the summer of 1983

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<pre>1 when Omar Garrison delivered to Hubbard's representatives 2 the materials he had for the biography project, any of the 3 people with access to these materials could have sent the 4 transcript to the IRS. 5 I declare under the penalty of perjury under 6 the laws of the State of California that the foregoing is 7 true and correct. 8 Executed this 30^{HL} day of September, 1985, 9 in Boston, Massachusetts. 10 11 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 10 11 12 12 13 14 15 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18</pre>	
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TATUUHL SEC USH INT (-----

To : CO OSA INT

From : T/QUAL SEC OSA INT

Via : DCO ALL CLEAR OSA INT

CC : T/QUAL SEC OSA INT

Re : HOMER SHOMER SALVAGE MSN

CONFIDENTIAL.

HOMER SHOMER SALVAGE MISSION MSN PERSONNEL: MILT AND LAURA WOLFE MSN OPS: KLAUS

MISSION INFORMATION:

PER THE RECENT REPORTS FROM CONTACTS MADE WITH HOMER HE IS LIKELY TO GO OVER TO THE ENEMY CAMP. HE HAS ALREADY BEEN CONTACTED IN REGARDS TO BEING A WITNESS IN THE ARMSTRONG CASE. HE IS THINKING OF TURNING AGAINST US COMPLETELY. SEE DEBRIEF ON PHONECALL FOR FULL DATA.

MISSION PURPOSE: TO PREVENT HOMER FROM GOING OVER TO THE ENEMY CAMP AND GET HIM MOVING BACK ONTO THE BRIDGE.

MAJOR TARGET: TO CLEAN HOMER UP WITH STANDARD TECH (AUDITING AND ETHICS AS NEEDED) AND GET HIM GOING ON A PGM WHICH WILL GET HIM BACK ONTO THE BRIDGE.

PRIMARY TARGETS:

1. ACCEPT FULL RESPONSIBILITY FOR THIS PROJECT.

2. STUDY THE DEBRIEFS ON HOMER SO YOU HAVE A GOOD UNDERSTANDING WHERE THE GUY IS AT.

3. MAKE SURE YOU HAVE CERTAINTY ON PR SERIES 18 AND THE PL ON ETHICS JUSTICE AND THE DYNAMICS.

4. WORK OUT YOUR APPROACH AND DRILL AS NEEDED. GET IT CLEARED BY MSN OPS.

5. DO THE MSN IN CLAY.

6. GET FINAL BRIEFING.

7. G PS ND DISAGREEMENT CHECK.

28-May-1984 23:24

HHHH

8. FIRE.

VITAL TARGETS:

1. ONLY APPLY STANDARD TECH, KEEPING KSW IN FULLY THROUGHOUT.

2., STAY IN CLOSE COMM WITH MSN OPS. DO NOT IMPLEMENT ANY DECISIONS WITHOUT HAVING THEM CLEARED.

3. KEEP YOUR AUDITOR AND ETHICS OFFICER HAT SEPERATE AND WEAR THEM FULLY.

4. DO WHATEVER IS NEEDED TO ACHIEVE THE MSN PURPOSE.

OPERATING TARGETS:

1. FLY TO DENVER, RENT A CAR AND DRIVE TO THE ADDRESS.

2. MEET WITH HOMER.

3. GET HIM INTO SESSION.

4. PHONE IN THE WORKSHEETS AND PROPOSED NEW CS.

5. GET HIM BACK INTO SESSION.

6. AUDIT HIM UNTIL HE IS REACHING FOR SORTING HIS SCENE OUT WITH THE CHURCH.

7. DO A STANDARD ETHICS INTERVIEW.

8. DO REPAIR OF PAST ETHICS AS NEEDED.

9. GET HIM UP TO AND THROUGH DOUBT.

10. WORK OUT A PGM TO GET HIM FULLY BACK TO THE BRIDGE. IDEALLY HE WOULD AGREE TO TAKE A FEW DAYS OFF, COME TO LA AND JUST GET IT DONE.

11. UPON MSN OPS OK GET HOMER GOING ON THE PGM.

12. ENSURE YOU HAVE ACHIEVED YOUR MSN PURPOSE.

13. TO TERMINATE.

.Y BACK TO LA FOR DEBRIEF UPON OK TO TERMINATE.

TGT: 3 DAYS

LINICK: WE ARE HERE TO HELP SORT THINGS OUT.

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SUBJECT: FLYIN, HICHAEL J. ATTY E US

1. Maifer, pronson
2. Flynn, Kovin
3. Suartz, Ford
4. Konha, nay
5. Uplfs, Hr. Lotlo
6. Dept. of the Atty Goneral Hass.
7. Harman, Abbie
R. Flanaman, Joo
9. Koough, Hob
10.Sylvester, Soger
11. Authorton, Judith
12.0.7 ALLYS OFFICO DC
13.Cath, Stanley
14.Cooper, Paulette
15.City of Clearwater
16. Treana, Thomas
17.Flynn fin moes
18.Garritano, Silvana
17.Van Schalck, LaVenda
20. Jurdon, Tonja
21. Ryan Smith and Coohrane
22. Flynn Associates Management Corp.
23.llyrron, Stan
24. Paptista, Jose
25.Navins, Peter
26:Boston Globe
27.Logan, Halt
29. Sumeral Counsel Office Jacksonville, FL
29 Naval Justice School Nowport R.I.
(JO. Han HcLoan)
31. Wolff, David
32. Kheingold, Paul
33. Xalicholas, John
34.Clar, Hr. Doug
35.Couur d'Alone Press
36.Narconnon



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EXHIBIT"B"

Excerption Shoot

The US Attornies Office contacted Flynn. (1,1)

Flynn got a rotainer of \$5,000 from the city of Clearwater. (1,2)

The city of Clearwater express mailed an 81b package to Flynn. (4,1)

Flynn is running a logal notice on Luli for 21 straiht days in the Globe. (4,2)

Moffman is in conversity Mith Montherton. (4,4)

Flynn tolls atty Logan in Fla, that he can draft a motion for substitute service similar to the one he did for Cooper. (5,1)

Flynn wonts to get Mary Sue's address. (5,2)

Flynn's office has put together a proliminary report for the City Commission of Clearwater. (7,1)

A Notion to advance is being filed on the Stifler suit. (7,2)

Flynn has sent three motions to Logam. (8,1)

Flynn is in disagroement with the bill sent to him by Stunley Cath. (9,1)

A full copy of the Flynn office report to the city of Clearwater. (pages 10-20 23-25) Covers the city's rights regarding tax exemptions zoning, history of Sen., comercial and religious motivation, and the cities ability to act on these issues.

A biography has been typed in Flynn's office on LRH. (pgs 21 and 22)

Kevin Flynn wrote a letter to Doug Clark of Coeur d'Alene press in Coeur d'Alene Idaho about the criminality of Scn. (pgs 26 2 27) FLAG ORDER 3729 . ED 106 CMO 15 September 1978

COMMODORE'S MESSENGERS

A Commodore's Messenger carrying an order or running a project or otherwise on duty is an emissary of the Commodore.

What is said or done to that Messenger by staff or persons receiving the Messenger's orders is being said or done to the Commodore.

The Messenger's handlings of such statements must be what the Commodore would say or do in such circumstances.

If the Messenger does not handle as above, the Commodore's own authority is undermined and the area will go out of control.

The Beingness of a Commodore's Messenger on duty is an emissary of the Commodore. What is done or said to that Messenger is being said or done to the Commodore.

The orders the Messenger issues may be those directly from the Commodore or indirectly as a result of the duty being performed by, or the area of assigned responsibility of the Messenger, and even when the idea of the Messenger.

Thus it follows that a Messenger must have some idea of what the Commodore would do and <u>DO</u> IT in response to any statements or actions by the person or persons receiving such a message or order.

A Messenger operating on his own operations or judgements on duty and issuing orders on these is still an emissary of the Commodore and such opinions or judgements must not be defied and are considered as above.

A Messenger has never been disciplined or even scolded for operating as above.

There are two types of goofs. Those between the Messenger and the Commodore and those between the Messenger and an area. The former does get handled by the Commodore. The latter, never.

What a Messenger may miss is that the people they are talking to <u>DO</u> consider the Messenger to be my personal emissary.

EXHIBIT "C"

To do other than the above can destroy an org or area.

L. RON HUBBARD

COMMODORE

DECLARATION OF RELIGIOUS COMMITMENT

AND APPLICATION FOR ACTIVE PARTICIPATION

ON CHURCH STAFF

I, _____(full name),

of _____(address),

...

apply for active participation as a staff member within the

CHURCH OF SEIENTOLOGY INTERNATIONAL, CAL, (Org name and address)

In making this application and signing this Covenant set forth below I am declaring a religious commitment to spiritual awareness and betterment and to the Church, in accordance with the terms of said covenant, and am forsaking all commercial and financial motivation.

INFORMATION:

1. I am male (), female () _____ years old, born on _____ ____(date), in ______

_(Town and Country of birth).

- (If a Minor). I have obtained the consent of my parents or guardian to the commitment and participation herein described, for the Church of Scientology (R) and produce an Assent Form signed by my parent/guardian. Assent form attached ().
- 3. I have never been convicted of the commission of any criminal felony under the laws of any jurisdiction.
- 4. I have no institutional history of psychosis.
- 5. I have no electric, insulin or other shock or psychiatric brain operation history.
- 6. I am not an active drug pusher.
- 7. I have never sued the Church or made complaint to any governmental authority with respect to any organization or principal of the Church.
- 8. (a) I am not a blown staff member or blown Sea Organization member. That is, I have never, without authorization in accordance with Church Policies, departed from any staff position within any Scientology organization or broken my vow or service as a member of the Sea Organization, a religious order of the Church of Scientology.

(b) I have in the past blown, as described above, but have since recanted and been given forgiveness and accepted back into the Church after having made proper restitution.

EXHIBIT "D"

MM

 I am not related to or connected to intelligence agencies either by past history or immediate familial connections. HCO PL 23.4.73 III Attachment

GLOSSARY

CHARTER

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A written grant by a national or state government to a colony, a group of citizens, a university, a commercial company, etc., bestowing the right of organization, with other privileges, and specifying the form of organization.

CONTINUITY A number of people having common ties or interests living in the same place and subject to the same laws.

CORFORATE <u>adj</u>. belonging to a corporation; having to do with a corporation.

CORFORATION A group of persons who obtain a charter giving them as a group certain legal rights and privileges distinct from those of the individual members of the group. A corporation can buy and sell, own property, etc., as if its members were a single person.

DOCTRINAL adj. of or having to do with doctrine.

DOCTRINE What is taught as the belief of a church or group of persons; belief, principle; what is taught, teachings.

FRATERNAL <u>adj</u>. of or characteristic of a brother or brothers; of or like a fraternal order.

FRATERNAL A group organized for mutual aid and fellow-ORDER ship.

INCORPORATE To form into a legal corporation.

INCORPORATION An act of incorporating or the state of being incorporated.

INTEGRITY Integrity comes from a latin word meaning untouched, whole, entire. It is now defined as 1. honesty, uprightness; 2. quality or state of being complete, wholeness; 5. undivided or unbroken condition; 4. perfect condition.

THEOLOGICAL adj. of, having to do with or dealing with theology.

THEOLOGY The study of god; the study of religion and religious beliefs; a system of religious beliefs. 25.

- I do not have a parent or a guardian who is a rabid antagonist of Scientology.
- 11. I am not here to obtain news stories or data for any other organization or to generally disrupt the Church.
- 12. I do not have personal debts of a magnitude such that efforts to satisfy them would immediately disrupt or cause me to pull back from my commitment to the Church.
- 13. I do not have any mental institutional history, by which is meant incarceration or voluntary stay in a mental institution and knowingly or unknowingly receiving treatment therein.
- 14. I have had no prior service in a high security section of the government or armed forces.
- 15. I am married (), unmarried ().
- 16. My spouse has no objection to my working for the Church.
- 17. I am not currently on drugs.

5"

(Exception to any of the above points can be made only after an applicant has petitioned a Senior Officer of the Church and received unconditional acceptance. Such written approval must be presented to HCO before signing the Contract.)

I hereby state that to the best of my knowledge I have honestly made the declarations above at points 1 to 17. I accept and agree that any false statement by me will disqualify me from becoming or remaining an active participating staff member and may subject me to any Church justice procedures and/ or legal proceedings as may be appropriate or necessary pursuant to the policies of the Church and/or the laws of the land.

Signature of Applicant

CONDITIONS:

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I understand and agree that the following conditions are based on the fact that the Church staff members are members of a religious order and serve pursuant to their religious obligations.

I realize that my signature on this covenant and the acceptance of same binds me to follow the administrative, ecclesiastical, moral and ethical policies, rules, norms and practices of the Church of Scientology *INTERNATIONAL* as a member of a religious order.

I recognize and understand that neither Ron nor Mary Sue Hubbard receive any compensation or remuneration from training or processing by the Church, that neither Ron nor Mary Sue Hubbard are officers or directors of the Church and that neither of them are in any manner responsible for actions of the Church Further, I recognize, understand, and agree that in consideration for the Church permitting me to become an active participant pursuant to this Declaration, I shall not commence any action or assert any claim against either or both of them, their heirs, successors, or assigns, based on any matter arising out of or in connection with the Church, and I hereby release L. Ron Mubbard and Mary Sue Hubbard, and their heirs, successors and assigns, from and against any and all claims or causes of action of every nature and sort which I or my successors or assigns ever had, now have, or may hereafter acquire, arising out of my dealings with the Church as a staff member pursuant to this Declaration. I expressly waive the provisions of California Civil Code Section 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favour at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Signature of Applicant

1.	Service Hours and Extra Service.	The Day Organization serves weekdays, the Foundation serves evenings and weekends. Staff are expected to study in their off duty hours and to assist with additional duties. The Sea Organization schedule is as laid out by individual Sea Organization groups and units.
2.	Holidays.	2 service weeks per year after one year's service, for Class IV org staff and 3 weeks per year for Sea Org Members.

 Sick Leave.
 2 days non-accumulative in every calendar month, upon presentation of a doctor's certificate.

4. Pension. The Church does not provide a pension or any other retirement program.

5. Furnishing of Necessaries.

Church Staff Members serve pursuant to religious commitment and conviction rather than for monetary gain or other traditional commercial or financial motives or incentives. Nevertheless, the Church will, pursuant to this covenant, furnish certain necessaries, including a weekly allowance, and for certain staff positions, room and board. The furnishing of these necessary items is not intended to be and is not compensation for services performed by the applicant, but rather it provides an opportunity for the Church to establish an appropriate environment within which religious and spiritual awareness may receive the greatest prospect for enhancement and in which such matters constitute the reward for services. The amount of weekly allowance may vary depending upon economic conditions generally prevailing within the Church.

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6. Policy. Staff are subject to existing policy (subject to amendment or addition). Staff study and receive examination on their knowledge of Policies, Bulletins and Directives relating to their activities and upon other Policies, Bulletins and Directives as from time to time requested.

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7. Activities.

Status.

Staff members shall accept whatever activity is assigned, in accordance with existing policy.

Temporary or Provisional staff may be dismissed in accordance with HCO Policy Letter 4 Jan 1966R Issue V, PERSONNEL STAFF STATUS (copy of which may be viewed on request).

> Permanent staff are also subject to this policy.

- 9. Membership. Newly joined staff are deemed to be Scientology staff members in good standing. Persons who have been found to be no longer Scientology staff members in good standing by properly constituted Church authority are not eligible to remain on staff.
- 10. Duration of 2½ year and 5 year periods of staff service Covenant. are governed by this Covenant as well as staff service on a weekly basis.

11. Benefits. Church staff members are eligible for such benefits or privileges as may, from time to time, be issued in HCO PL form as they apply to staff members.

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Staff

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Breach of Covenant

An active participant of the Church, having forsaken traditional commercial and financial motivations and concerns, by making this religous declaration, and who recieves (as per para 11 above) services at no cost or 50% of costs shall, if he breaks his agreement either by leaving staff before completing his covenant or by violating his good standing as a Scientology staff member so that he is dismissed in accordance with policy, remit forthwith to the Church a sum as figured per HCOPL 11 June 1981, Violation of Staff Covenant if such person is declared 'freeloader". This provision is not intended to reflect traditional commercial bargains or concerns, is not intended to operate as a civil penalty, and is intended as a manifistation of applicable ecclesiastical ethics and as a provision for liquidating damages.

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As members of a religous order, Church staff members are expected to uphold a high degree of ethical conduct in accordance with Church policy and doctrine. Church staff members are govorned by the ethics policies of the Church which are designed to assist a person to become a more ethical, productive and happy being. A person who continually violates the ethical codes of the Church despite attempts by the Church to help him/her get ethics in may, if he/she honestly seeks redemption, be assigned to a REHABILITATION PROJECT FORCE as a means to raise his/her ethical standards to a point where he/she can again participate and exchange in an ethical enviroment in accordance with Church doctrine. Such an assignment is made and carried out in the spirit of helping the Church staff member as mentioned above.

The terms and conditions of the Covenant Sea shall apply should the staff member join Organization the Sea Organization except and unless as

15. Entirety of The Church shall not be obligated to honor any verbal promises or any other terms or Covenant conditions not specifically covered in this Covenant. This Covenant forms the entirety of the Church's agreement with the Church staff member, and promises no specific counselling, training, posts or other favors to any Church staff member.

13. Ethical

Conduct

14.

specifically amended in writing.

I have read and understand this Covenant in its entirety. I realize that this Covenant forms the entirety of the Church's agreement with myself as specified in point 15 of the Conditions herein. I am joining staff and becoming a member of a religious order solely to help forward the religious goals and tenets of the Church of Scientology INTERNATE and not for monetary gain, auditing or training.

With full knowledge of the information supplied, and being fully aware of the conditions stated in the Covenant, I agree to become a staff member of the Church of Scientology ATERNATIONATEfor a period of (a) 5 years '

(b)-22 years-(c) on a weekly basis,

and sign as follows:

SIGNATURE OF APPLICANT

DATE

SIGNATURE OF WITNESS

DATE

The Church agrees to have

Full name of applicant

serve in accordance with this application, and the information supplied, and upon the conditions stited, for the period as indicated above.

STAFF MEMBER ON BEHALF OF THE CHURCH OF SCIENTOLOGY DATE

7.

HUBBARD COMMUNICATIONS OFFICE Saint Hill Manor, East Grinstead, Sussex

Remimeo HCO POLICY LETTER OF 23 AFRIL 1973 All Staff Hats ISSUE III Basic SO Member Hat

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UNDERSTANDING CORPORATE INTEGRITY

NOTE: This Policy Letter is drawn verbatim from the text of a booklet under the same title. For convenience various terms, each marked with an asterisk, have been defined in a Glossary appended to this Policy Letter.

UNDERSTANDING CORPORATE INTEGRITY

("Folicy: Corporate structures must be correct legal and valid." (LRH).)

WHY IS IT INFORTANT FOR A STAFF MEMBER TO UNDERSTAND CORPORATE INTEGRITY"?

Responsible leadership and participation on the third dynamic requires a thorough knowledge of the relationship of one's group to the rest of the society. This relationsh'p takes on many forms such as economic exchange, public relations and legal. Corporate Integrity is a principal part of the legal relationship.

WHY IN PARTICULAR IS THE LEGAL RELATIONSHIP IMPORTANT?

Answering this question goes back to a fundamental.

As L. Ron Hubbard has frequently pointed out, all power stems from a stable terminal. In HCO PL 29 July 1971 "Why Hatting" he states:

> "In Scientology 8-80 the base of the motor is discussed. It holds two terminals in fixed positions." Because they are so fixed, power can be generated.

"If a thetan can hold a position or location in space he can generate POWER."

This principle extends and applies fully to organizations. In our bociety at this time the corporate integrity of a company or Church is the base of its legality, of its power. Only from a sound legal foundation can an organization safely expand in today's world.

EXHIBIT "E"

This has been true for ages. Before the current pattern of legal incorporation", royal charters" were required, and before that the agreement of the tribal elders. The third dynamic is that way.

For this reason HCO PL 11 December 1961 by L. Ron Hubbard gives as <u>Org Rudiment 1</u>: HCO PL 23.4.73 Issue III

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"Be sure organization is properly registered and in proper legal relationship..."

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HOW IS THE RELIGION SCIENTOLOGY LEGALLY INCORPORATED"?

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As a Church. The first incorporation of a Church of Scientology as such was on 18th February 1954, only four years after the publication of Book One.

IS THERE ONLY ONE CHURCH OF SCIENTOLOGY?

No, there are many around the world. These Churches are separately incorporated. For example, each US Church is a separate and distinct corporate entity, incorporated in the various States where they operate as a non-profit religious corporation.

Although Scientology Churches are legally independent they are united by a theological bond of common faith. For example, theologically the senior church in the United States is the Church of Scientology of California. This in no way gives legal jurisdiction of the C of S of C over other Churches, as they are separate corporations, but the other Churches do, of course, respond to the <u>advice</u> and <u>guidance</u> of their theological senior.

WHAT ABOUT, FOR INSTANCE, AOLA AND ASHO OR A FOLO LIKE FOLO WUS?

AOLA and ASHO were started by the C of S of C. They have always been and are part of the C of S of Calif, U3. Similarly FOLO WUS was formed by and is an integral part of the C of S of Calif.

Other AOs and SHs and FOLOs are each part of a Church in the country in which they are situated.

WHAT ABOUT THE TERM "SEA ORG ORGS"?

This term is a misnomer which derives from a confusion concerning the relationship of the Sea Org to the Church.

It was sometimes used to describe churches where a majority of Sea Org members were employed or which were first established by Sea Org members employed by the Church.

There are of course no "Sea Org Orgs". All Scientology orgs operate under the name of the existing religious corporation, e.g. The Founding Church of Scientology of Washington, D.C., Church of Scientology of Nevada, etc.

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The term is misleading and incorrect and has been discarded from terminology.

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WHAT SHOULD I DO IF I HEAR THE TERM BEING USED?

Indicate to the user that it is improper usage and refer him to this policy letter.

WEAT IS THE SEA ORG?

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The Sca Organization is a fraternal organization existing within the formalized structure of the Churches of Scientology. It consists of highly dedicated members of the Church. These members take vows of eternal service. The Sea Organization life style of community living is traditional to religious orders.

The Sea Organization has no corporate structure or identity. The leadership of the Sea Org is found within the Church of Scientology of California (Flag Bureaux). Sea Org members work for the various independent Churches of Scientology. The individual Sea Org member would be an employee of whatever Church worked for, and is subject as are that other employees of that Church to the Board of Directors.

The Sea Org exists as the Sea Org to raise the ability to confront and handle MEST. It was founded as an CP organization and continues to be one. The case level and confront level of its members, its speed of particle flow, its multiple viewpoint system are all hallmarks of an OT organization.

Its members are bound together by the highest standards of ethical conduct and personal contribution, which are summarized in the Code of a Sea Org Hember.

The Sea Organization is also organized with titles and ranks.

The insignia of the Sea Org are trademarked in the name of the Church of Scientology of California.

In essence, membership in the Sea Organization is an additional honor which a Scientologist may select, but in no way affects the running of the Churches except where Sea Org members are employed in executive capacities by churches.

It is noted however, due to the strenuous training and higher confront levels of Sea Org members that churches employing a majority of Sea Org members have a higher efficiency and production ratio per staff member than otherwise.

WHI.T IS FLAG?

The Church of Scientology of California operates a Karine Mission aboard a chartered vessel. This Marine Mission is commonly referred to as Flag. It is operated under the acgis (protection, support) of the Church of Scientology of California, as are the other facilities of the Church (AO-ASHO). 5...

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There is and must be a central area where the standard of Scientology administration and technology are maintained through training and counselling as well as management consultation and advices. A central point is also needed for the codification of various Church dissemination and educational materials and their release. Flag fulfills these needs for all Churches. It in no way has "legal" authority over Scientology Churches, but is looked to for doctrinal" and ethical authority.

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HAS ANYTHING CHANGED?

No, nothing has been changed. But due to confusion which may have developed over the years in some people's minds, it has become advisable to reassert in correct form what already exists in legal structures. These are the traditional relationships existing between these various identifies.

No Policy Letters or Flag Orders, lines or terminals have been changed. Only the traditional legal relationships have been reconfirmed in such a way as to give more direction and power into the hands of Scientologists and Sca Org members without impairing forward progress but expanding it.

> Ens. David Ziff PR & Consumption Aide Flag in collaboration with Joel Kreiner Deputy Guardian Legal US and Charles Parselle Deputy Guardian Legal WW Authorized by AVU for the BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

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LRH Snr PA Di

15 June 1981

LPAArch

re: Archives Trust

Dear Laurel:

With the termination of MCCS can you tell me where the Archives Trust plan is at?

Who is handling; what is the general plan; how are my actions regarding artifacts/museum affected?

Love,

Ger

The archives trust is being turned over to R Accts (who's hat it is to handle) to inventory and determine who owns what. After that is done then Legal can take on the business of setting up a trust. Right now it 'oesn't affect what you are doing. You are working for the CSC and supported by SOR belonging to CSC. When the new corp gets set up you will be paid by the new corp but bery likely will receive your pjt funds by CSC. But we'll cross that bridge when we come to it.

huch Love Occep

EXHIBIT "F"

SUCCESS STORY RPF COMPLETION

I am indeed extremely fortunate to have been given this opportunity by LRH to become redeemed and to have been given my sanity.

It was a long haul, 17 months to the days But there is not one minute of that time regretted because I was always, because of the nature of the RPF, progressing towards the goal of full honesty and redemption.

I had the tremendous good fortune to do the RPF at the precise time LRH put his attention to the recompiling and peffecting of XDn Tech.

It was also uncommon good fortune to be able to have the Flag Snr S/S, Lt. David Mayo, on the line overseeing RPF XDn auditing and Tech in general. And of course to audit under him.

I had fabulous auditing from my twin Andre Clavel who cared tremendously that I get through totally and became same. He never for one second applied anything but Standard Tech to me.

I became an auditor, a goal every Scientologist has had. I audited almost 1000 hours on my twin in the RPF. The education was priceless.

I became a Scientologist, for I wasn't one before. I learned to handle people and situations more samely.

I had the rare opportunity also to be the RPF Bosun for about 9 months. I learned to become a senior and exec. I also learned how to be a junior.

I acquired a list of a hundred close close friends. I've been through a lot of battles with these guys, all of whom I love dearly.

I had the opportunity to improve the FLB a bit, to mak e my ideas for improvements in many cases become realities.

I know that I have left the RPF in very capable handa and that those staying behind will also enjoy the success I did during my RPF stint.

I am ready to again become a Flag Staff Member and share the burden of clearing this planet with other staff.

There are many people to thank for these 17 months of wins: Andre of course; all the RPF Tech unit, especially Charlie Rush, Freddie Randall, David Phillips, Richard Kennedy, David Ziff, Frank McAll, Mark Britowich - and all the others; the execs, Larry Price, Hakan Johansson, Frankie Freedman, Ed Brewer - and the others.

To all the RPF members for each of you in his way is keeping Scientology working for the others.

To the FLB staff who never complained that I took this long or have hounded the RPF, but have made it possible through their work for the RPF to do its job.

To the Snr C/S who has instilled in the RPF a love of LRH's Tech and inspired us all to improve ourselves and our tech.

To LRH Pers Comm who has kept the channel of the RPF straight and narrow yet has always been patient and understanding with us.

And to LRH, who has given me my sanity and given me the Tech with which to help him in his goals for man. Sir, I'm a good investment, and I'll be able sometime to repay you.

Much love.

Gerry Armstrong

EX HIBIT "G"